

Message Text

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PAGE 01 ROME 08348 220148Z

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEQ-01 CIAE-00 ERDA-07 COME-00

DODE-00 EB-07 EPA-04 INR-07 IO-13 L-03 NSF-02 NSC-05

NSAE-00 PM-04 USIA-15 OES-06 SS-15 SP-02 INT-05 FEA-01

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R 211705Z MAY 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 7800

INFO USMISSION OECD PARIS

UNCLAS ROME 8348

E.O. 11652: N/A

TAGS: EALR, ENRG, ECON, IT

SUBJECT: PRICE INCREASE FOR MOST PETROLEUM PRODUCTS - ITALY

1. AT ITS MEETING OF MAY 21 THE INTERMINISTERIAL PRICE COMMITTEE (CIP) INCREASED THE MAXIMUM PRICE LEVEL OF PETROLEUM PRODUCTS, EXCEPT GASOLINE AND LIQUIFIED PETROLEUM GAS (LPG), FOR WHICH TWO PRODUCTS PRICES WERE INCREASED ON MARCH 18 AND APRIL 16 RESPECTIVELY. NEW MAXIMUM PRICE LEVELS (OLD MAXIMUM PRICE LEVELS IN PARENTHESIS) ARE:

/PRODUCT/	/PRICE/
LIGHT DIESEL FUEL OIL (GASOIL)	
(FOR TRANSPORTATION)	168 (160) LIRE/LITER
LIGHT DIESEL FUEL OIL (GASOIL)	98,350 (89,750) LIRE/TON
(FOR HEATING)	
KEROSENE (FOR HEAT)	100,700 (92,100) LIRE/TON
HEAVY FUEL OIL (HIGH SULPHUR	
CONTENT)	63,200 (58,300) LIRE/TON
HEAVY FUEL OIL (LOW SULPHUR	
CONTENT)	67,450 (62,550) LIRE/TON
FLUID FUEL OIL	77,500 (71,500) LIRE/TON
SEMI-FLUID FUEL OIL	72,480 (66,750) LIRE/TON

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PAGE 02 ROME 08348 220148Z

BITUMEN 67,450 (64,000) LIRE/TON

VIRGIN NAPHTHA	122,600 (122,050) LIRE/TON
LUBRICANT BASE	163,800 (158,900) LIRE/TON

2. ALLOWED RETURN FOR METRIC TON OF CRUDE INCREASED TO APROXIMATELY 79,919 LIRE (74,996) BECAUSE OF LIRA DEVALUATION. EXCHANGE RATE USED BY CIP TO CALCULATE NEW PRICES WAS 879 LIRE/A DOLLAR DURING APRIL (842.42 IN MARCH). THE LIRA PEAK DEVALUATION REACHED 916 LIRA/DOLLAR DURING THE FIRST DAYS OF MAY BUT RECENT GOVERNMENT FISCAL RESTRICTIONS MADE POSSIBLE A GAIN OF THE LIRA TO ABOUT 850 LIRE/DOLLAR BY MID MAY. FOR THIS REASON CIP HELD UP THE DECISON TO INCREASE PETROLEUM PRICES. IT MAY BE POSSIBLE THAT, IF BY MID-JUNE THE LIRA ACQUIRES MORE PURCHASING POWER, PETROLEUM PRODUCTS PRICES MAY BE REDUCED ACCORDINGLY.
3. UNIONE PETROLIFERA'S FIRST COMMENT WAS THAT GOVERNMENT STILL DOES NOT CONSIDER, IN CALCULATING THE NEW PRICES,THE INCREASED COST OF PROCESSING AND DISTRIBUTION FOR WHICH THE AUTHORITIES HAVE PERMITTED NO ADJUSTMENT SINCE 1972, PLUS THE EXTRA COSTS OF IMPORTED CRUDE DEVIVING FROM THE 50 0/0 PRIOR DEPOSIT REQUIREMENT.
4. CIP DECISION WAS ALSO CRITICIZED BY THE NATIONAL ASSOCIATION OF TRUCKERS (ANITA) WHICH STRESSED THAT THE INCREASE WILL HAVE A FURTHER IMPACT ON ALL CONSUMER GOODS ABOUT 80 PERCENT OF WHICH ARE DISTRIBUTED IN ITALY BY TRUCK.VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME08348
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760199-0235
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760528/aaaaaxno.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUN 2004 by mendozsm>; APPROVED <07 DEC 2004 by blochd0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRICE INCREASE FOR MOST PETROLEUM PRODUCTS - ITALY
TAGS: EALR, ENRG, ECON, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006